

AGRICULTURE

8570 Department of Food and Agriculture

Background. The California Department of Food and Agriculture (CDFA) provides services to both producers and consumers of California's agricultural products in the areas of agricultural protection, agricultural marketing, and support to local fairs. The purpose of the agricultural protection program is to prevent the introduction and establishment of serious plant and animal pests and diseases. The agricultural marketing program promotes California's agricultural products and protects consumers and producers through the enforcement of measurements, standards, and fair pricing practices. Finally, the department provides financial and administrative assistance to county and district fairs.

Governor's Budget. The Governor's Budget proposes \$242 million to support CDFA in 2007-08. This is approximately \$9 million less than the level of expenditures estimated in the current year. This decrease is primarily due to a reduction in special funds.

Summary of Expenditures				
<i>(dollars in thousands)</i>	2006-07	2007-08	\$ Change	% Change
Type of Expenditure				
Agricultural Plant and Animal Health, Pest Prevention, and Food Safety Services	\$ 172,586	\$ 160,947	- \$ 11,639	-6.7
Marketing and Commodity and Agricultural Services	68,736	58,993	-9,743	-14.2
Assistance to Fair and County Agricultural Activities	60,817	26,621	-34,196	-56.2
General Agricultural Activities	-	43,149	43,149	100.0
Capital Outlay	24,395	3,611	-20,784	-85.2
Administration	14,561	14,029	-532	-3.7
<i>less distributed administration</i>	-13,376	-12,826	550	-4.1
Total	\$ 327,719	\$ 294,524	-\$33,195	-10.1
Funding Source				
General Fund	\$ 101,699	\$ 99,261	-\$2,438	-2.4
Special Funds	148,529	141,955	-6,574	-4.4
Bond Funds	1,180	1,178	-2	-0.2
<i>Budget Act Total</i>	<i>\$251,408</i>	<i>\$242,394</i>	<i>-\$9,014</i>	<i>-3.6</i>
Federal Trust Fund	42,779	38,762	-4,017	-9.4
Public Building Construction Fund	18,356	-	-18,356	-100.0
Harbors and Watercraft Revolving Fund	1,296	1,336	40	3.1
Reimbursements	13,879	12,032	-1,847	-13.3
Total	\$ 327,718	\$ 294,524	-\$33,194	-10.1

Highlights

Agency Reorganization. The Governor's Budget proposes a new program within CDFA, the General Agricultural Activities Program. This program provides the fiscal and policy oversight of federal agricultural grants to California. In addition, this new program will coordinate departmental resources and provide centralized communications to the agricultural industry. Despite this reorganization, the overall number of positions at the department is decreasing from 2006-07 levels.

CDFA Implementation of the Global Warming Solutions Act of 2006. The Governor's Budget proposes \$331,000 in reimbursements and on-going authority of \$323,000 for two positions. These new positions would perform scientific and economic studies on reducing green house gasses through a reduction in enteric fermentation (emissions from cattle) and an increase in soil carbon sequestration using conservation tillage and cover crops.

Hydrogen Highway. The Governor's Budget proposes \$212,000 in special funds and on-going authority of \$53,000 for the Division of Measurement Standards to acquire laboratory equipment and laboratory supplies to develop and initiate standardized sampling, testing, and enforcement activities related to hydrogen quality. This proposal supports the Governor's Hydrogen Highway Blueprint Plan.

Private Vehicle Inspection Program. The Governor's Budget proposes \$407,000 General Fund to support five 1-year limited-term positions to conduct a pilot project to determine the pest introduction risk presented by private vehicles entering the state. The program was piloted in 2006-07 with five 1-year limited-term positions.

Emergence Tower System for Fruit Fly Rearing Efficiency. The Governor's Budget proposes \$658,000 General Fund for purchase of equipment for the fruit fly Preventative Release Program and for repositioning and disposal of trailers. The new equipment would allow for a 50 percent increase in fruit fly production. USDA has committed to constructing a new facility into which the equipment would be placed. A previously appropriated \$1 million for facilities would revert from the Architectural Revolving Fund to the General Fund.

Deferred Maintenance and Equipment Replacement. The Governor's Budget proposes \$500,000 in special funds for on-going authority to pay for services rendered, repair and replace laboratory equipment, and modify or upgrade existing facilities at the Center for Analytical Chemistry.

Issues

Program Review. The Department of Finance conducted a program review of the Department of Food and Agriculture and found some programs were not properly categorized. In response to the review, the General Agricultural Activities program category was formed within CDFA and some existing activities were moved under that budget heading.

Citrus Freeze. In January 2007 California experienced unusually cold weather that severely impacted the state's agricultural sector. Early estimates are that 75 percent of the state's citrus crop may have been lost. Impact has also been felt in other agricultural crops sensitive to the cold, such as avocados. The Legislature may wish to consider coordinated actions to assist California's agricultural sector, such as appeals to the Federal government for assistance.